

GUBLER-WHITE ASSOC.
396 East St. George Blvd. • P.O. Box 129
ST. GEORGE, UTAH 84770

(801) 673-6146

File ACT/053/004
~~ACT/000~~

DATE August 3, 1984

SUBJECT St. George Mining Corporation
Escrow Instructions

TO

State Of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
Attn: Mary Boucek
4241 State Office Building
Salt Lake City, Utah 84114

Dear Ms. Boucek:

Attached is a green Escrow Instruction Form. Please sign on the back at the "X"
and return in the pre-addressed envelope to Zions First National Bank, St. George.
Thank you.

Sincerely,

Kerry T. Gubler
Kerry T. Gubler

KTG/aac

SIGNED

FA
ACT/053/004

GUBLER-WHITE & ASSOCIATES INSURANCE AGENCY
396 EAST ST. GEORGE BLVD.
P. O. BOX 129
ST. GEORGE, UT 84770
(801) 673-6146

RECEIVED

AUG 6 1984

DIVISION OF OIL
GAS & MINING

August 3, 1984

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
Attn: Mary Boucek
4241 State Office Building
Salt Lake City, Utah 84114

RE Reclamation Surety Bond for St. George Mining Corporation, Apex Mine
ACT/053/004 Washington County, Utah

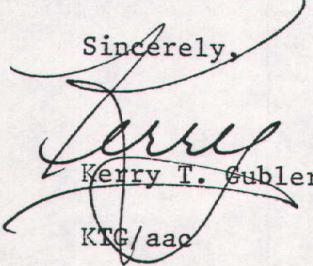
Dear Mary:

Enclosed are the materials and copies of the cash certificate, along with the escrow to the State of Utah for the Reclamation Surety Bond for St. George Mining Corporation on the Apex Mine project. As you can see they have set up a bond in the amount of \$54,389, which would take them through the year 1985.

We are proceeding on a bond from a surety company, which may take another two or three months. But this will be in lieu of that bond for the present time, which should allow St. George Mining to start the project immediately.

If there is any confusion or misunderstanding, please notify us immediately as they are anxious to get this project going. We appreciate your help and the opportunity to work with you.

Sincerely,


Kerry T. Gubler

KTG/aac

cc: St. George Mining Corporation
St. George, Utah

(Revised March 1984)
(Non-Federal)

Mine Name: _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, Utah 84114THE MINED LANDS RECLAMATION ACT
BOND

The undersigned St. George Mining Corporation as
principal, and _____ as
surety, hereby jointly and severally bind ourselves, our heirs,
administrators, executors, successors and assigns unto the State of Utah,
Division of Oil, Gas and Mining in the penal sum of Fifty-Four Thousand,
Three Hundred Eighty-Nine dollars (\$ 54,389.00).

The principal estimated in a "Notice of Intention to Commence Mining
Operations and a Mining and Reclamation Plan", filed with the Division of Oil,
Gas and Mining on the 2nd day of August, 19 84,
that _____ acres of land will be disturbed by this mining operation in the
State of Utah. A description of the disturbed land is attached hereto as
Exhibit "A".

Cancellation of any bond shall be conditioned upon: (1) the receipt of
substitute surety in the form and amount acceptable by the Division or (2) the
Division making a determination that the principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith. Should one of the above
conditions be met and cancellation of the bond sought, the Division must sign
such cancellation.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the surety company.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.

St. George Mining Corporation
Principal (Company)

By W. Klingman President
Company Official - Position

Date: August 1, 1984

Cash Certificate
Surety (Company)

By _____
Official of Surety - Position

Date: _____

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

Date: _____

TIME CERTIFICATED DEPOSIT
ZIONS FIRST NATIONAL BANK

Issued at St. George 34 St. George, Utah. August 2, 1984

payable to ****St. George Mining Corp.**** Social Security or Identification Number
Address **50 EAST 100 South Suite 201** City **St. George** State **Utah** Zip Code **84770**

Interest at the rate of 10.89 % per annum commencing from August 2, 1984, and payable Feb 2, 1985

to depositor, or if more than one, to either or any of said depositors or the survivor or survivors in current funds upon presentation and surrender of this certificate properly endorsed. Interest payable: ☐ quarterly ☒ maturity.

This certificate shall be **automatically renewed** for successive like maturity periods if the certificate is not presented and surrendered for payment within seven (7) days after the original or any renewed maturity date, or unless the Bank issues or mails notice to the contrary to depositor(s) or to either or any of said depositors at least ten (10) business days before any such maturity date, and any mailed notice shall be sent to the address above or then designated on Bank's records. The interest rate for each renewal period shall be the prevailing rate of the Bank on new Time Certificates of like duration on renewal date. Certificate transferable only upon books of the Bank. Subject to applicable present and future state and federal laws and regulations.

Certificate not redeemable prior to original or final renewed maturity, and deposit bears no interest after original or final renewed maturity.

Interest to be paid by: ☐ Compound ☒ Deposit Checking Account

gk

☐ Remit by Mail☐ Deposit Savings Account

B.

Authorized Signature

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On the 2nd day of August, 1984,
personally appeared before me Lutz Klingmann, who being by
me duly sworn did say that he is the President of St. George
Mining Corporation and that said instrument was signed on
behalf of said corporation by authority of its bylaws or a
resolution of its board of directors and he acknowledged to
me that said corporation executed the same.

Nick C. Nackos
NOTARY PUBLIC
Residing at:

My Commission Expires:
March 1, 1986

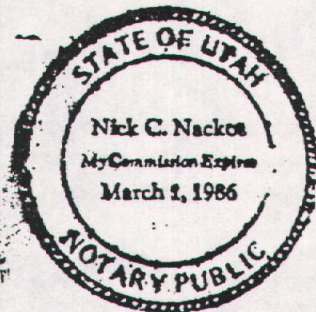


EXHIBIT A
ESCROW INSTRUCTIONS

You are authorized to release the Time Certificate of Deposit and Irrevocable Assignment to the State of Utah, Department of Natural Resources, Oil, Gas and Mining Division, upon presentation to you of a letter from the State of Utah, Department of Natural Resources, Oil, Gas and Mining Division, requesting release of the same and stating that the basis of said request is within the terms of a Notice of Intention to Commence Mining Operations and a Mining and Reclamation Plan, filed with the State of Utah, Department of Natural Resources, Oil, Gas and Mining Division on February 14 1984.

You are further authorized to release the said Time Certificate of Deposit to St. George Mining Corporation, a Utah Corporation, upon receipt of a letter from State of Utah, Department of Natural Resources, Oil, Gas and Mining Division, stating that no further claim is made thereon by the State of Utah, Department of Natural Resources, Oil, Gas and Mining Division.

IRREVOCABLE ASSIGNMENT

This Irrevocable Assignment is made this 2nd day of August, 1984, by and between St. George Mining Corporation, a Utah Corporation, 50 East 100 South, St. George, Utah, in favor of the State of Utah, Department of Natural Resources, Oil, Gas and Mining Division, and relates to that certain Notice of Intention to Commence Mining Operations and a Mining and Reclamation Plan, filed with the State of Utah, Department of Natural Resources, Oil, Gas and Mining Division on February 14 1984.

For consideration, receipt of which is acknowledged, by these presence, St. George Mining Corporation, a Utah Corporation, hereby sells, assigns, transfers and sets over to the State of Utah, Department of Natural Resources, Oil, Gas and Mining Division, all its right, title and interest in and to that certain certificate of deposit issued by Zions First National Bank and standing in the name of St. George Mining Corporation, a Utah Corporation, in the principal and face amount of \$54,389.00, Certificate No. [REDACTED] authorizing the State of Utah, Department of Natural Resources, Oil, Gas and Mining Division, or other duly authorized agent, to take possession thereof, receive payment of or proceeds from and to act as attorney in fact for St. George Mining Corporation, a Utah Corporation, in all respects pertaining thereto.

DATED this 2nd day of August, 1984.

ST. GEORGE MINING CORPORATION
A Utah Corporation

By Lutz Klingmann
Lutz Klingmann,
President

SCHEDULE OF ITEMS, FEES, AND INSTRUCTIONS

A. REPRESENTATIVE WITH WHOM THE BANK WILL NORMALLY CORRESPOND

~~BUYER~~ REPRESENTATIVE: (NAME, ADDR., TELEPHONE)
ASSIGNEE

State of Utah, Dept. of Natural Res.
Oil, Gas and Mining Division
4241 State Office Building
Salt Lake City, Utah 84114

~~SELLER~~ REPRESENTATIVE: (NAME, ADDR., TELEPHONE)
ASSIGNOR

St. George Mining Corporation
50 East 100 South
St. George, Utah 84770

NOTE: LIST ALL OTHER BUYERS AND/OR SELLER (EXCEPT THOSE ABOVE,) ON THE BACK SIDE OF THIS FORM WITH (NAME, ADDRESS, AND TELEPHONE NUMBER FOR EACH ONE.)

SHOW ONLY ONE BUYER AND ONE SELLER IN THE BOXES ABOVE.

B. DOCUMENTS OR PROPERTY PLACED WITH THE BANK

1. Assignment
2. Certificate of Deposit

C. SET UP FEES

ASSIGNOR

ASSIGNOR

SET UP FEES ARE TO BE PAID BY THE ~~BUYER~~
~~AND SELLER~~ AS SHOWN HERE. THESE ARE NON-
REFUNDABLE ACCOUNT ORIGNIATION FEES.

~~SELLER~~
\$

~~BUYER~~
\$

D. TRANSACTION FEES AND OTHER PERIODIC FEES

TRANSACTION FEES AND OTHER FEES WILL BE CHARGED TO THE SELLER AND BUYER ON THE BASIS OF THE PROPORTIONS DESIGNATED HERE. THE ACTUAL FEE AMOUNTS WILL BE DETERMINED FROM THE FEE SCHEDULE IN EFFECT AT THE TIME THE FEES ARE COLLECTED. THE FEE SCHEDULE MAY BE CHANGED AT ANY TIME WITHOUT PRIOR NOTICE.

	BEGINNING FEES	PROPORTION	
		BUYER ASSIGNEE	SELLER ASSIGNOR
TRANSACTION FEE PER DISBURSEMENT	\$	0 %	100%
TRANSACTION FEE PER RECEIPT	\$	0 %	100%
ANNUAL FEE	\$	0 %	100%
OTHER	\$	0 %	100%

E. BEGINNING ACCOUNT SERVICING DATA

N/A

THESE FIGURES SHALL BE USED BY THE BANK

BEGINNING BALANCE

PAYMENT AMOUNT

ESCROW ~~AGREEMENT AND~~ INSTRUCTIONS

These instructions are given on ~~THIS AGREEMENT~~ August 2, 19 84 by ~~and between~~

ASSIGNOR
the ~~SELLER(S)~~ St. George Mining Corporation

Address: 50 East 100 South St. George, Utah

~~XXX~~

~~XXXXXXXXXX~~
~~XXXXXXXXXX~~

~~ADDRESS~~

~~XXX~~ to

ZIONS FIRST NATIONAL BANK, a national banking association with head office in Salt Lake City, Utah, which shall be the Escrow Agent, hereafter called ZIONS.

RECITALS

Assignor has executed an assignment as attached hereto, ~~SELLER has agreed to sell and BUYER has agreed to purchase and pay for property an exact description of which is set out in the documents deposited with ZIONS and/or in the Schedule of Items, Fees and Instructions attached hereto~~ and made a part of this agreement, hereafter called the SCHEDULE.

It is intended that ZIONS assumes no liability for and is expressly released from any claim or claims in connection with its reception, retention, and delivery of any papers or documents delivered to it hereunder except to account for payments made thereon from which it is authorized to deduct its customary collection charges and expenses together with any amount which may be required to pay for legal expenses due to any litigation or controversy that may arise in connection herewith.

NOW THEREFORE pursuant to this agreement and in consideration of the mutual covenants and agreements contained herein it is agreed that:

The undersigned, ~~BUYER and SELLER~~ ^{ASSIGNOR}, hereby deliver to ZIONS FIRST NATIONAL BANK as Escrow Agent the instruments, documents, money or property hereafter sometimes called "Items" described in the attached SCHEDULE to be held and disposed of by ZIONS in accordance with the directions contained in the said SCHEDULE and according to the following terms and conditions:

1. ZIONS acts hereunder as a depository only and is not a party to or bound by any agreement or undertaking which may be evidenced by or arise out of any items deposited with it hereunder and is not responsible or liable in any manner for the sufficiency, correctness, genuineness or validity of any of the items and undertakes no responsibility or liability for the form of execution of such items or the identity, authority, title or rights of any person executing or depositing any of the items described in the attached SCHEDULE.

2. ZIONS, as Escrow Agent, shall not be liable for any error of judgment or for any act done or omitted by it in good faith, or for anything which it may in good faith do or refrain from doing in connection herewith. No liability will be incurred by ZIONS if, in the event of any dispute or question as to the construction of the instructions in the attached SCHEDULE, it acts in good faith.

3. All notices of default of any persons shall be given in writing to the Escrow Contract Servicing Department of ZIONS at the address shown on the SCHEDULE. Unless written notice shall be so given, ZIONS shall not be required to take or be bound by notice of any default or to take action concerning such default. ~~If written notice of default is properly given, ZIONS shall not be required on receipt thereof to take any action with respect to such default except to return all documents to the SELLER and cancel the Escrow. ZIONS shall be indemnified against any expense or liability arising out of this action in a manner satisfactory to it. ZIONS has no duty whatsoever to notify SELLER of any nonpayment or late payment of an installment due or of any other default or breach about which it might become knowledgeable.~~

~~4. ZIONS is authorized to accept any payments tendered to it in accordance with the directions set forth in the SCHEDULE whether such payment constitutes all or only part of any installment and whether or not it or any installment is then in default. The payment of any installment directly to the SELLER or the existence of any offset, counter claim, or difference between the BUYER and the SELLER herein, or the acceptance of previous delinquent installments, shall not alter or limit these instructions.~~

5. In the event of any disagreement or the presentation of adverse claims or demands in connection with or for any item affected hereby, ZIONS shall, at its option, be entitled to refuse to comply with any such claims or demands during the continuance of such disagreement and may refrain from delivering any item affected hereby and in so doing ZIONS shall not become liable to any of the other parties hereto or to any persons named in the attached SCHEDULE or to any other person due to its failure to comply with any such adverse claim or demand. ZIONS shall be entitled to continue without liability to refrain and refuse to act:

A. Until all the rights of the adverse claimants have been finally adjudicated by a court having jurisdiction of the parties and the items affected hereby after which time ZIONS shall be entitled to act in conformity with such adjudication; or

B. Until all differences shall have been adjusted by agreement and ZIONS shall have been notified thereof and shall have been directed in writing signed jointly by each of the undersigned parties to these instructions and by all persons making adverse claims or demands, at which time ZIONS shall be protected in acting in compliance therewith.

6. ZIONS shall have a first lien on all items held by it herewith for its compensation and for any costs, liability, expense of fees it may incur. The undersigned have paid ZIONS the fees required according to its fee schedule now in effect for its services hereunder and agree to pay further fees as required in the said fee schedule for its services hereunder and agree to pay additional compensation for any further or extraordinary service which it may be required to render hereunder, including but not limited to return check charges, telephone expense, and attorney fees and costs. It is understood that the fee schedule may be changed by ZIONS from time to time and the parties agree to be bound by any changes in the fees after notice has been given, so long as the Escrow shall remain in force. In the event any controversy arises hereunder or that ZIONS is made a party to or intervenes in any litigation pertaining to this Escrow or the subject matter thereof, ZIONS shall be reasonably compensated for such extraordinary services and reimbursed for all costs and expenses occasioned by such default, delay, controversy or litigation. In the event any such fees or extra charges arising out of this Escrow are not paid or reimbursed to ZIONS within 30 days after they become due, then ZIONS shall have the option to either cancel the Escrow and return all documents to the SELLER or to continue to hold and service the Escrow recognizing its first lien on the items held as established in this paragraph.

7. No rescission of this Escrow Agreement or modification of its terms or substitution of parties or any notice or demand shall be of any effect without the written consent of each of the undersigned parties and ZIONS. Such consent will not be unreasonably withheld by ZIONS. However, with respect to requests to modify terms or substitute parties, ZIONS has the right to have the proposal considered as a new contract and to withhold its consent thereto until new set up fees have been paid and a new Schedule of Items, Fees, and Instructions has been prepared and signed by all parties.

8. On payment being made in full in accordance with the instructions in the SCHEDULE or upon other satisfaction according to modified instructions agreed to in writing and signed by all parties including ZIONS, then ZIONS is authorized and empowered to deliver the documents and property deposited with it to the BUYER and the Escrow shall be terminated.

IN WITNESS WHEREOF the parties hereto have executed this agreement this _____ day of

ASSIGNOR

ST. GEORGE MINING CORPORATION

BY H. Klingmann
BUYER

X Director, DOGM
SELLER

ZIONS FIRST NATIONAL BANK, Escrow Agent

By _____